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ANNUAL REPORT TO STOCKHOLDERS



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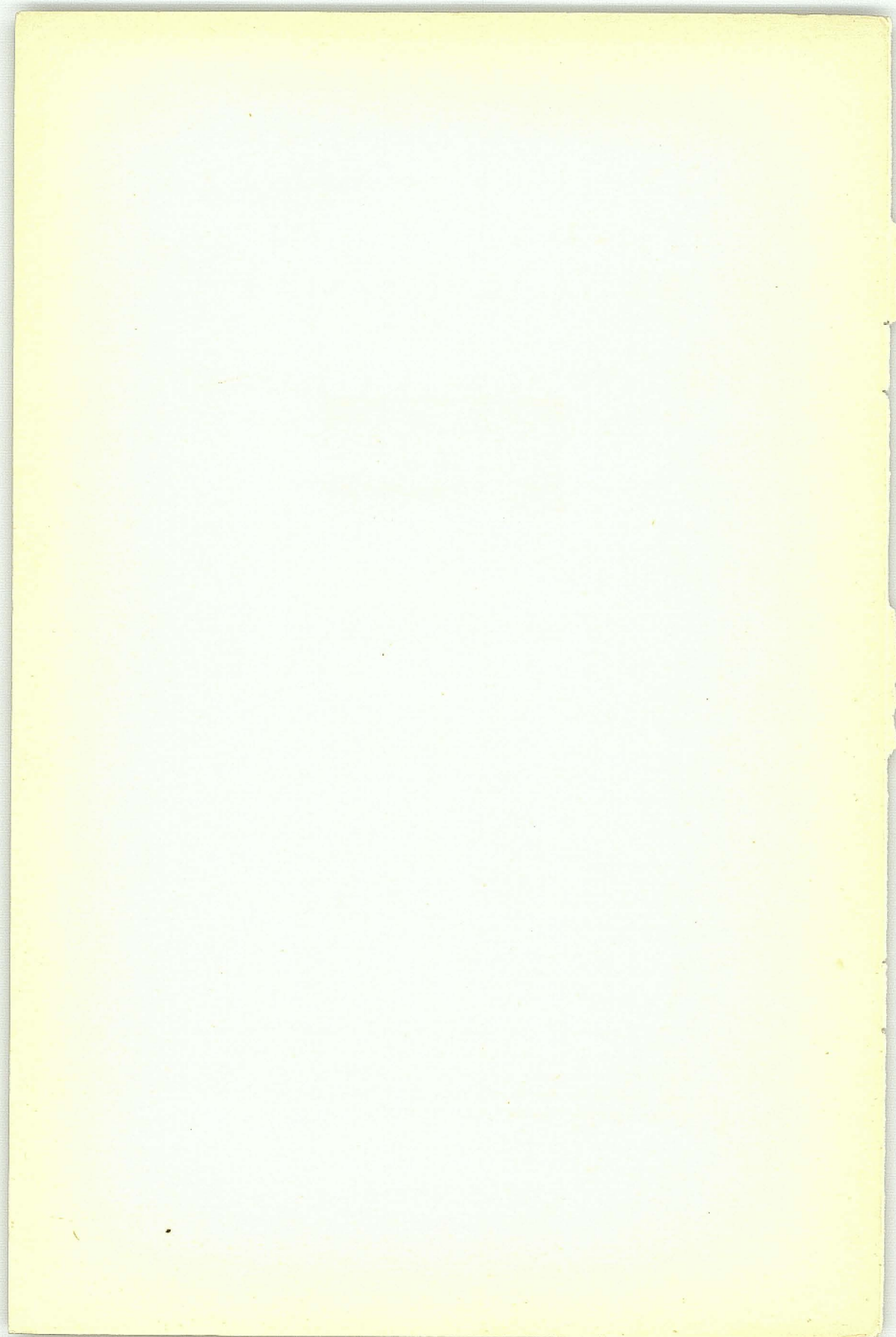
THE COCA-COLA COMPANY
WILMINGTON, DELAWARE

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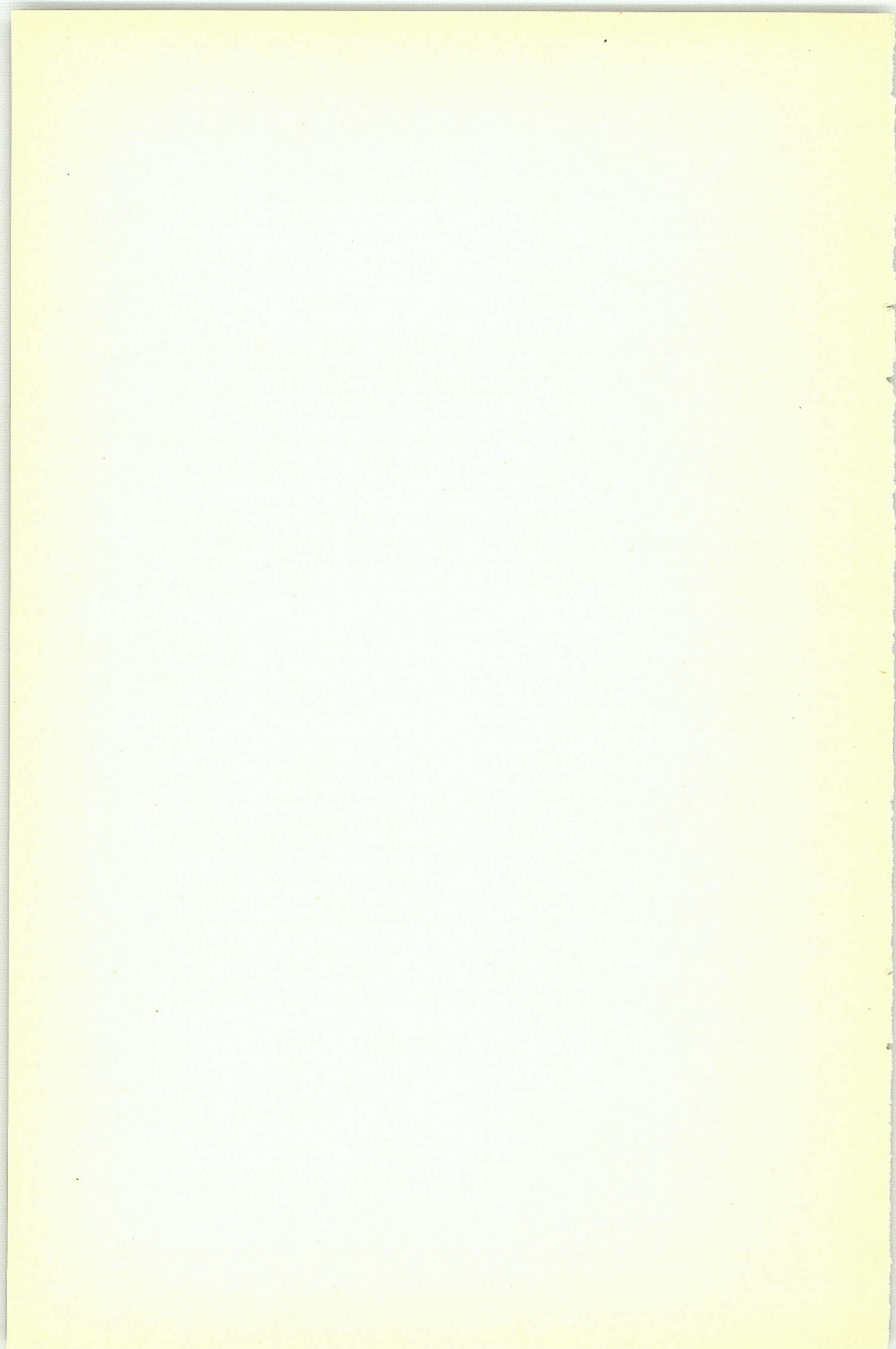
ANNUAL REPORT

THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES

✱

FOR THE YEAR
1943

The annual meeting of the stockholders will be held on Monday, May 1, 1944. A formal notice of this meeting, together with proxy and proxy statement, will be mailed to each common stockholder on or about April 8, 1944, at which time proxies will be solicited by the management.



THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

TO THE STOCKHOLDERS OF THE COCA-COLA COMPANY

Submitted herewith are the consolidated balance sheet and statement of operations for 1943. Net earnings applicable to common stock after taxes, Class "A" dividends, reserves and all charges, were \$23,726,222.00.

General inventories, while below peacetime levels, have been maintained, within and outside the United States, at maximum volume consistent with wartime regulations.

The Coca-Cola Bottling Company (1903) and the Dallas Company, Company-owned parent bottling concerns operating in several southwestern states, have been consolidated under a plan of reorganization in The Coca-Cola Bottling Company 1903, a Delaware corporation.

Though the war has caused radical changes in the Company's foreign business in many areas, consumption of Coca-Cola outside the United States is substantially larger than ever before. Our facilities abroad have made Coca-Cola more widely available to the military forces of the United Nations.

The Company's subsidiary, The Brecon Loading Company, has renewed its contract with the United States Government to operate the Coosa River Ordnance Plant through 1944. Since the close of the year that plant has received for the second time the Army-Navy Production Award "for meritorious service on the production front."

Employees of the Company in the armed forces now number upwards of 60% of its total permanent personnel at the close of the last pre-war year. Replacements are becoming increasingly difficult.

In every way that opportunity offers, the Company, its people and its product will continue to contribute to the national effort and to the attainment of the victory to which our country is dedicated.

Respectfully submitted,

A. A. ACKLIN,
President.

HARRISON JONES,
Chairman Board of Directors.

CONSOLIDATED THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

December 31, 1943

ASSETS

CURRENT:

Cash on deposit and on call	\$12,690,875.43	
Government securities—at cost:		
United States and Canadian—(Market value \$10,615,848.86)	10,602,770.28	
Accounts receivable—trade (less reserve of \$43,398.40)	8,595,825.90	
Inventory—merchandise, including sugar stored in bonded warehouses (Priced at lower of cost or market)	25,524,232.62	\$ 57,413,704.23

INVESTMENTS IN AND ADVANCES TO FOREIGN SUBSIDIARIES NOT CONSOLIDATED—NET

1,852,563.29

OTHER INVESTMENTS AND OTHER ASSETS:

Securities of affiliated domestic companies not consolidated—at cost . . . \$	32,000.00	
Accounts due from affiliated domestic companies not consolidated	3,823.02	
Other security investments—at cost (Market value \$1,601,921.25)	591,322.82	
Other receivables and miscellaneous—(including estimated post-war refund of excess profit taxes \$2,095,000.00)	5,323,196.25	5,950,342.09

PROPERTY, PLANT AND EQUIPMENT—At cost:

Land	\$ 2,621,143.68	
Buildings	16,157,449.50	
Machinery and equipment	15,237,533.07	
Containers	5,712,819.38	
	<u>\$39,728,945.63</u>	
Less reserves for depreciation	10,501,859.68	29,227,085.95

FORMULAE, TRADE-MARK AND GOODWILL—

At cost	37,126,972.49	
DEFERRED CHARGES	2,067,977.39	
	<u>\$133,638,645.44</u>	

NOTE—Assets of foreign subsidiaries consolidated in this balance sheet consist of net current \$8,880,107.03, property, plant and equipment at depreciated cost, \$4,519,615.46, and other assets \$989,595.85. Fixed assets are stated at rates of exchange prevailing at dates of acquisition, and net current and all other assets at rates of exchange prevailing at December 31, 1943. Earned surplus includes \$10,393,294.06 accumulated earnings of foreign subsidiaries consolidated herein.

BALANCE SHEET ITS CONSOLIDATED SUBSIDIARIES

31, 1943

LIABILITIES

CURRENT:

Accounts payable	\$ 9,374,486.19
Accrued expenses	128,046.38
Accrued taxes—including income, excess profits and capital stock taxes	\$33,405,034.11
Less U. S. Treasury tax notes	25,554,862.30
	<u>7,850,171.81</u>
	\$ 17,352,704.38

RESERVE:

For contingencies and miscellaneous operations	20,131,125.23
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CAPITAL STOCK:

Class "A"—no par value:	
\$3.00 preference dividend cumulative, callable at \$52.50 per share	
Authorized and originally issued	1,000,000 shares
Less retired	400,000 shares
	<u>600,000 shares</u>
Issued and outstanding	\$ 3,000,000.00

Common—no par value:

Authorized and issued	4,000,000 shares	25,000,000.00
		<u>\$28,000,000.00</u>

SURPLUS—Earned	68,471,090.83
	<u>\$96,471,090.83</u>

Less 4,800 shares of common stock owned by Company—at cost	316,275.00	96,154,815.83
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\$133,638,645.44

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1943

GROSS PROFIT	\$87,706,713.65
EXPENSES	
Selling, administrative and general	30,839,608.40
OPERATING PROFIT	<u>\$56,867,105.25</u>
Other deductions	\$2,137,296.50
Less: Other income	<u>980,413.25</u>
	1,156,883.25
PROFIT BEFORE TAXES ON INCOME	<u>\$55,710,222.00</u>
Provision for taxes on income—estimated	<u>30,184,000.00</u>
NET PROFIT	<u><u>\$25,526,222.00</u></u>

NOTE A—Provision for depreciation of \$1,889,050.76 was charged to manufacturing and other expenses. Other deductions include interest paid, \$32,141.99, and \$1,055,835.38 for additions to the reserve for contingencies and miscellaneous operations.

NOTE B—Provision for taxes on income includes \$14,182,000.00 estimated excess profits taxes against which an estimated post-war credit of \$1,133,000.00 is refundable to the companies in non-negotiable, non-interest bearing United States Government bonds payable after the war, which amount is reflected in the balance sheet under Other Investments and Other Assets and a like amount has been added to the reserve for contingencies and miscellaneous operations.

NOTE C—Net earnings of foreign subsidiaries consolidated herein and included in net profit shown above are \$1,590,437.61 in excess of dividends received from such foreign subsidiaries during the year.

CONSOLIDATED SURPLUS ACCOUNT

Balance—December 31, 1942	\$60,725,668.83
Net profit for the year ended December 31, 1943	25,526,222.00
	<u>\$86,251,890.83</u>

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1943—\$1.50 per share	\$ 900,000.00	
Dec. 14, 1943—\$1.50 per share	<u>900,000.00</u>	\$ 1,800,000.00

COMMON:

Mar. 31, 1943—\$.75 per share	\$ 3,000,000.00	
June 30, 1943—\$.75 per share	3,000,000.00	
Sept. 30, 1943—\$.75 per share	3,000,000.00	
Dec. 14, 1943—\$.75 per share		
plus \$1.00 per share extra	<u>7,000,000.00</u>	
	\$16,000,000.00	

Less dividends on 4,800 shares of
common stock owned by Company
during year

19,200.00

15,980,800.00

TOTAL DIVIDENDS PAID 17,780,800.00

SURPLUS—DECEMBER 31, 1943 \$68,471,090.83

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
Wilmington, Delaware

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1943, and the related consolidated statements of profit and loss and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the company and its domestic subsidiaries and, without making a detailed audit of the transactions, have examined or tested accounting records of these companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Statements as of December 31, 1943, for subsidiaries in Canada, Cuba, Mexico and Argentina, and as of November 30, 1943, for other foreign subsidiaries consolidated herein, were furnished us as certified by other independent auditors. Subsidiaries in foreign countries other than in the Western Hemisphere have been excluded from the consolidated financial statements and are stated in the balance sheet in the amount of the investments in and advances to such subsidiaries less net losses absorbed in prior years.

In our opinion, based upon our examination, and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1943, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

February 29, 1944.

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN	EDWARD FINLAY	E. W. STETSON
W. C. BRADLEY	T. K. GLENN	W. C. TEAGLE
C. H. CANDLER	J. N. GODDARD	D. A. TURNER
W. C. D'ARCY	J. P. ILLGES	C. A. WICKERSHAM
S. C. DOBBS	WINSHIP NUNNALLY	GEO. W. WOODRUFF
MRS. L. P. EVANS	C. J. ROOT	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

W. C. BRADLEY	W. C. D'ARCY	C. A. WICKERSHAM
C. H. CANDLER	T. K. GLENN	GEO. W. WOODRUFF
	E. W. STETSON	

W. C. BRADLEY—*Chairman Advisory Committee*

OFFICERS

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RALPH HAYES	Vice-President
W. P. HEATH	Vice-President
WM. J. HOBBS	Vice-President
W. N. COCHRAN	Vice-President
H. B. NICHOLSON	Vice-President
HAROLD S. SHARP	Vice-President
EDGAR J. FORIO	Vice-President
B. H. OEHLERT, JR.	Vice-President
FELIX W. COSTE	Vice-President
B. NEAL HARRIS	Vice-President
T. CARL THOMPSON	Vice-President
HOMER B. THOMPSON	Vice-President
S. F. BOYKIN	Vice-President and Treasurer
GEORGE T. ADAMS	Vice-President and Secretary

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY

Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK

New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY

Wilmington, Delaware

CHASE NATIONAL BANK

New York, N. Y.

